436.70:65

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

C-65 WORLD COTTON PROSPECTS November 26, 1930

- - - - - - -

SUPPLEMENT TO WORLD COTTON PROSPECTS 1/

Japan

Cotton yarn prices during October and November were steady at levels 20 per cent higher than last July according to Consul Dickover at Kobe. The fact that mills are now able to make a moderate profit has stimulated activity, and yarn production in October rose to 73.8 million pounds or an increase of 800,000 pounds over September, in spite of an additional 7 per cent curtailment which became effective October 1. It is likely, however, that the restriction of production which amounts to about 30 per cent will be continued at this rate until the end of next March. Production of cloth increased slightly during October, but exports remained about 20 per cent below those of the same period last year.

Despite improved prospects spinners are still cautious and are buying their supplies of raw cotton on a hand-to-mouth basis. Spinners takings of American cotton so far this season have amounted to about half of those for the same period last year. Imports of American cotton in October amounted to about 88,000 bales of 478 pounds or about one month's requirement. The principal demands are for cheap short staple cottons and as a result imports of Indian cotton are running above normal.

China

During the first half of November there were some complaints about weakness and dullness in the yarn market in China, but deliveries are quite satisfactory and mills are running at capacity, without stocks becoming excessive, according to the latest cable from Agricultural Commissioner Nyhus at Shanghai. It was expected that the market would improve with the recent cessation of civil war activities, but since this expected improvement has not taken place, there is a lack of confidence in the market outlook. Yarn prices have fallen to the point where operating margins are very small. There is also fear on the part of some that the dullness in exports of a number of commodities has affected the interior and in turn the demand for domestic yarn.

The Japanese mills are sold out until the spring months and several Chinese mills are adding additional spindles. The total spindleage in China is now very close to 4 million spindles.

1/ Due to change in the date of publication the regular monthly cables from Japan and China were received too late to be included in the regular November report. These together with some other reports are given in this supplement.

(over)

UNIV. OF FL LIB.
DOCUMENTS DEPT.
U.S. DEPOSITORY

UNIVERSITY OF FLORIDA
3 1262 08863 1113

Stocks of piece goods are low and the market is in a better condition than formerly, although the volume of the business remains relatively small. A part of this dullness is attributed to financial uncertainties, caused by orders from the Nanking Government to observe the foreign calendar in collecting annual accounts, whereas in the interior the order will be ineffective and collections will follow the customary traditions of settling accounts at the close of the Chinese year in February.

During the past few weeks arrivals of native cotton have been relatively small and prices have strengthened some in sympathy with foreign cotton. Mills have not been heavy buyers of native cotton, because of the dullness in the yarn market, and because prices are considered high in relation to the price of Indian cotton. As a result the mills have bought large quantities of Indian cotton. Business in American cotton has slowed up after active buying during the past two months. Arrivals of American cotton in China during December and January will be large. The present stocks of American cotton in the Japanese mills are very low and early arrivals are being immediately absorbed. This together with the adding of spindles in some Chinese mills, which will require American cotton, makes the outlook for the consumption of American cotton bright.

Europe

The latest reports from Great Britain and the Continent are somewhat mixed. From France it is reported that the situation is becoming normal again, and that mills are resuming the buying of raw cotton, particularly spots for prompt delivery. There is also a good amount of purchasing of futures, convertible to actuals, but the demand for forward shipments is small.

In Italy the spinners are discussing compulsory reduction in activity in spite of some large export sales of yarn. The demand for raw cotton in Italy is reported fair.

The demand for cloth has increased some during the past ten days in Great Britain with more sales to India, according to reports from Manchester. Demands from China, however, are quiet. The trade in yarn is steady but slow, and the demand for actual cotton is quiet.

Acreage of Sakellaridis restricted in Egypt

A decree has been issued prohibiting the planting of Sakellaridis cotton in Egypt except in 3 provinces, and in these provinces the acreage is to be limited to 40 per cent of the present acreage, according to a cable from P. K. Norris, Cotton Specialist of the Foreign Agricultural Service, stationed at Cairo, to the Foreign Service of the Bureau of Agricultural Economics.

In 1929 Egypt had 1,912,000 acres in cotton of which 880,000 acres or 46 per cent were Sakellaridis. About 85 per cent of the Sakellaridis acreage is in the 3 provinces of Charbiya, Beheira and Daqahliya.

------0------